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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, DECEMBER 15, 1999

APPLICATION OF

WASHINGTON GAS LIGHT COMPANY

CASE NO. PUE980895

For a further amendment to Pilot  
Delivery Service Program

ORDER GRANTING COMPANY'S MOTION SUBJECT TO TIME LIMITATION

In a motion filed on November 18, 1999, Washington Gas Light Company ("WGL" or "the Company") requests that the Commission amend its Pilot Delivery Program. The Company specifically requests that the "Balancing" provision of Rate Schedule No. 9 be modified to provide WGL with the flexibility to reduce the volume of gas delivered by suppliers participating in the pilot program, upon 24 hours' notice, on any day when necessary due to operational considerations. According to the Company, a potential operational imbalance may occur on exceptionally warm days when the total volume of gas delivered to the Company's city-gate by all suppliers may exceed the total volume of gas required to meet daily demand or the injection capacity of storage resources.

Pursuant to an Order dated November 29, 1999, the Commission Staff filed a Response. In its Response, Staff states that it supports the granting of the above-referenced

motion but only for a short-term time period. Staff notes that WGL acknowledges that its over-supply problem will cease to exist once daily balancing begins, and Staff believes that the Company should be in a position to implement such balancing by September or October of 2000. Staff therefore recommends that the requested modification be limited to the short-term time period ending October 1, 2000.

On December 14, 1999, counsel for WGL filed "Reply of Washington Gas Light Company to Staff's Response to Company's Motion" ("Reply"). In that Reply, the Company requests that the above-referenced modification be granted through March 31, 2001. The Company states that, before daily balancing can begin, it must develop a gas management system and that such system can not commence until the spring of the year 2000. The Company notes that the information technology resources necessary to develop such system are not available until that time due to the focus on Y2K and leap year transitions. The Company also states that, in order to implement daily balancing, it is considering capacity release of storage under applicable Federal Energy Regulatory Commission rules. WGL believes that any assignment of storage capacity should coincide with the end of the storage withdrawal season on March 31. Thus, it anticipates implementing daily balancing by April 1, 2001, either as a part

of a pilot program if it is continued beyond the second year, or as a part of a permanent program.

NOW THE COMMISSION, having considered the pleadings, is of the opinion and finds that the Company's request for amendment of Rule No. 9 should be granted, subject to the time limitation detailed herein. The period for such modification shall not extend beyond December 31, 2000. Accordingly,

IT IS ORDERED THAT:

(1) WGL's motion for amendment of Rule No. 9 shall be granted, subject to the time limitation detailed herein.

(2) This matter shall be continued generally.